

S E C R E T

Approved For Release 2005/08/08 : CIA-RDP92-00420R000100010043-5
EXCOM 1135-80

12-180-7208

6 November 1980

MEMORANDUM FOR: Executive Committee Members

FROM :

[REDACTED]
SA/DDCI

SUBJECT : Executive Committee Meeting, 12 November 1980,
(a) Long-Range Planning: Overseas Presence
(b) Compensation for Overseas Personnel
(c) Clandestine Technical Collection

1. The Executive Committee will meet on Wednesday, 12 November 1980, from 1500 to 1630 hours in the DCI Conference Room. Scheduled for consideration at this meeting are, in order of presentation, the long-range planning issue covering problems with CIA's overseas presence, an OPPPM proposal regarding compensation of CIA personnel stationed overseas, and a clandestine technical collection proposal.

2. Attached are the formal papers on the long-range planning issue and the compensation proposal. As with past long-range planning sessions, your insight into the implications of this issue on CIA activities are needed.

3. Following the above topics there will be a short session for specific EXCOM members on the clandestine technical collection project. The paper for this topic has already been distributed to those members who need to participate [REDACTED] dated 10/2/80).

4. The next long-range planning session will be held on 17 November 1980 from 1500 to 1630 and will cover the Soviet/East Europe Intentions and Intelligence Collection issues. Papers for this session will be distributed by 12 November 1980, if possible. However, due to the pressure of current reporting, it may not be possible to provide the Soviet/ East Europe paper before 14 November.

Attachments:
as stated

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MANAGEMENT ISSUE

What would constitute an effective overseas presence and supporting infrastructure in increasingly difficult environments?

To maintain an effective presence overseas, the Agency must address concurrently problems of [redacted] incentives, staffing levels, and staff skills. The elimination of restrictions caused by [redacted] controls does no good if suitable cover is unavailable; good cover is useful only if we get people to accept overseas assignments; the number of man-years available for collection activities must be commensurate with requirements; and persons assigned overseas must have the appropriate skills and experience to perform their duties. Agency managers have always had to contend with these problems, but negative trends in each area are creating a more critical situation.

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I. SUMMARY

In developing this paper, we reached a consensus that the key problem is not what constitutes an effective overseas presence but rather, how can we maintain an effective overseas presence in the eighties.



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Our overseas presence has been affected by the erosion of security and diplomatic immunity for our personnel abroad, the public disclosure of identities of Agency personnel, and by a declining personnel motivation for extended overseas service. There is a financial disincentive for service overseas because of the lack of employment opportunities abroad for the spouse of our employees and the high cost of living in most overseas posts. Finally, in recent years, we have lost, through retirement and resignation, a sizeable number of our more experienced officers, many of whom had hard to replace skills.

The current operating environment overseas has placed much stricter demands on security and tradecraft. The reduction of file holdings in the field has meant that officers no longer have timely access to the data base of historical and operational knowledge on a country, its operating environment, station assets and targets. As a result, electronic traffic between Field and Headquarters has increased as requirements are levied on Headquarters to provide needed elements of the data base no longer maintained at the station. Major personnel reductions at Headquarters have left fewer people to support increasing field requirements.

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As a consequence, we are faced with a two-pronged problem of increasing institutional roadblocks to the maintenance of an overseas U.S. presence together with diminishing professional, financial rewards and personal rewards for those of our people selected to serve abroad. Unless these problems can be resolved, there is little doubt that the effectiveness of the Agency's overseas activities will decline.

As a means to help solve some of these problems, we recommend certain actions be considered, as follows:

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C. Staff Training Complement: Our complement of qualified linguists is diminishing and the new employees now being recruited do not have comparable language skills. The NAPA report, dated 19 September 1980, recommended the establishment of a development language complement equivalent to six percent of the Unit Language Requirements (ULR). We recommend the re-establishment of such a Headquarters language training complement.

D. Incentives to Overseas Service. As a positive sign to employees that the added hardships of overseas service are recognized and rewarded, we recommend the adoption of a cash payment to all individuals while they are stationed overseas. Anyone of the themes being proposed by OPPPM -- a separate overseas pay scale, an overseas allowance or bonus plan, an incremental step system, or a deferred compensation plan -- that increases the willingness of persons to serve overseas could be adopted. It is also suggested that the Agency adopt a policy to ensure that liberal interpretations are made of regulations and allowances, especially at hardship posts. It is also felt that efforts should be made to minimize the aggravation to employees and families of PCS moves to and from overseas; specifics on the procedures and allowances to accomplish this need further study.

II. BACKGROUND

All of the Directorates in the Agency maintain an overseas presence, with the size of their overseas complement dependent upon their mission.

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[redacted] While a portion of this reduction was related to the drawdown in Southeast Asia in the early to mid 1970's, the initial buildup in this area was at the expense of overseas staffing in other foreign areas. The Agency was given no additional positions to accommodate the increased operational requirements in Southeast Asia. Thus, while the withdrawal was not accompanied by increased needs elsewhere, we were not able to restore other foreign activities to their pre-Vietnam levels. This reduction of positions in the field was accompanied by a corresponding reduction of positions at Headquarters, particularly in the Directorate of Operations. While a reduction in positions following the Indochina withdrawal was necessary, that factor, combined with accelerated retirement of experienced officers, has acted to lessen the flexibility of the Agency to staff vacant positions in a timely manner.

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The number of overseas installations in which we assign officers is a reflection of the global commitments of the policymakers of the U.S. Government. As a result of this interest, in recent years additional stations and bases were opened, [redacted]

[redacted] In addition to geographical targets, in recent years our policy-makers have expanded considerably their interests in topics which had not been previously targeted for intelligence collection operations. Such topics include international economics and energy, nuclear proliferation and strategic weapon programs of non-Communist states, narcotics and international terrorism. All of these requirements placed a strain on resource allocations.

Agency presence overseas is affected by a number of factors, such as:

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availability of non-official cover in a country; U.S. Government relations with, commitments to and agreements with the host country; the internal security situation within a country; and the capability of the Agency to operate in a country, including through an official liaison relationship and clandestinely.

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[redacted]
[redacted] At the same time, public disclosure of the identities of Agency personnel has dramatically introduced a new security factor into the problems of operating abroad. In addition to the traditional CI measures taken to protect the security of our operations and personnel

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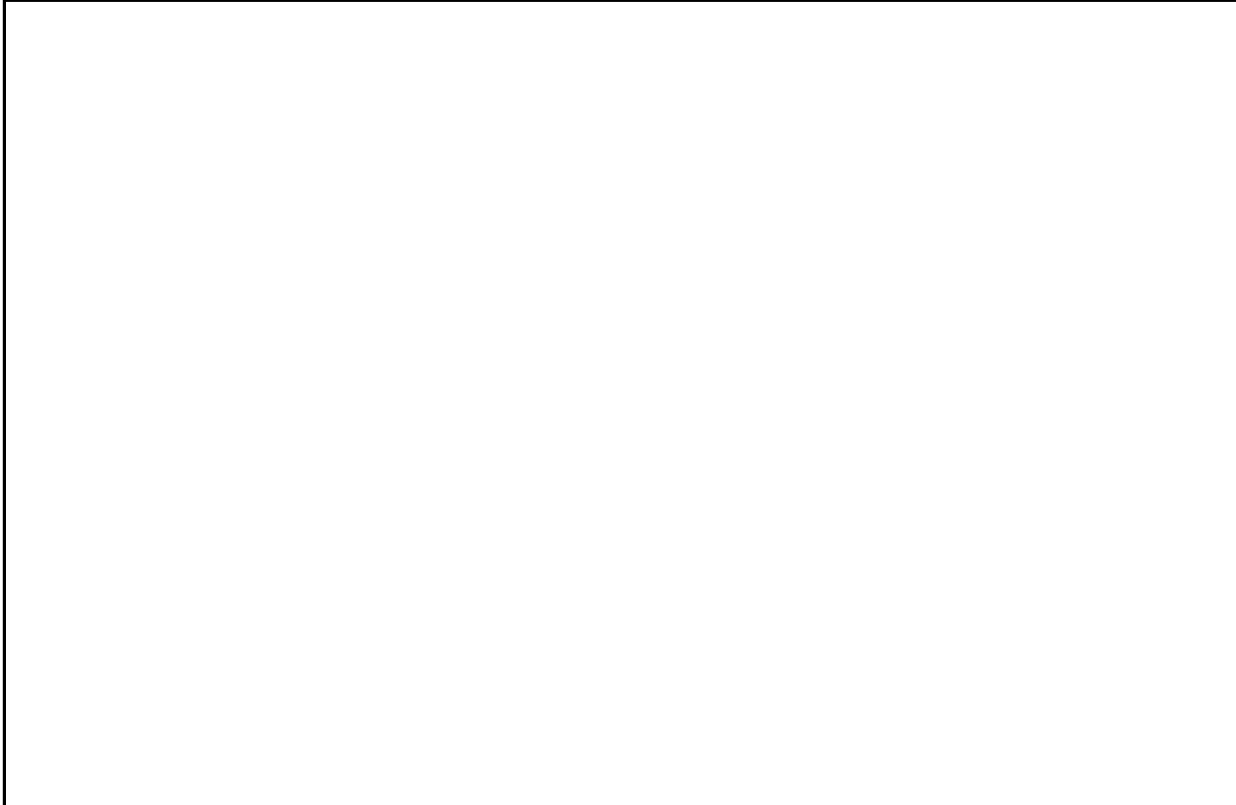
from hostile and friendly intelligence services, our personnel abroad now must take security precautions to avoid hostile action by terrorist groups and fanatics, who, until the identities of our personnel were published, would not generally represent a security threat. Moreover, such groups are indiscriminate about the official function of Agency personnel, whether they are operations officers, communications, support, clerical or dependents--all are considered fair game. This factor has required additional resources, including the time of our overseas personnel, to enhance the security of their operational activities.

Finally, there is a declining personnel motivation for extended overseas service. Security factors, the high cost of overseas life in most areas and a major increase in the number of spouses who must pursue separate careers act to reduce the motivation for extended tours abroad. In addition, the image of the Agency has suffered in recent years as a result of public disclosure of our activities and personnel. There was a quiet feeling of clandestine service accomplishments and a personal participation in these accomplishments which built on a solid esprit de corps in the clandestine service. The name of CIA had a certain mystique which actually aided in the development and maintenance of close liaison relationships with a number of foreign governments and officials. Public disclosure and criticism of Agency activities have helped destroy this mystique and the esprit de corps of its personnel. Liaison services and assets question whether we can now keep secrets. Personnel see activities in which they had been involved and which had been considered in the intelligence community as accomplishments now being criticized by the media and public officials. The result of all this is a two-pronged problem of increasing institutional roadblocks to the establishment of an overseas U.S. intelligence presence together with diminishing professional, financial and personal rewards for those of our people selected to serve abroad. Unless these problems can be resolved, there is little doubt that the effectiveness of the Agency's overseas activities will decline.

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III. CURRENT SITUATION

A. Staffing



A key problem is that we are replacing officers with 25-30 years of experience with newly graduated officers who require a great deal of supervision. Thus, since 1979 there has been a steady increase in the senior officer work hours which must be diverted to compensate for new officer inexperience and to provide additional supervision. From the time of their entry on duty, it generally takes a new officer five to seven years, including one or more overseas tours, before he is fully productive. The D0 manpower situation will continue to worsen and will turn around only when the influx of new officers, which started in 1980, gain the experience to replace those officers who have retired.

Our current supporting infrastructure does not include sufficient positions for training of officers after they leave the CT program.

Each current training requirement now results in a negative offset in a line position. In October 1981, the D0 only has students in full-time language training out of a total FY 81 position authorization of . This extremely low total is reflective of both lack of personnel to place in full-time training and a lack of training slots to accommodate them.

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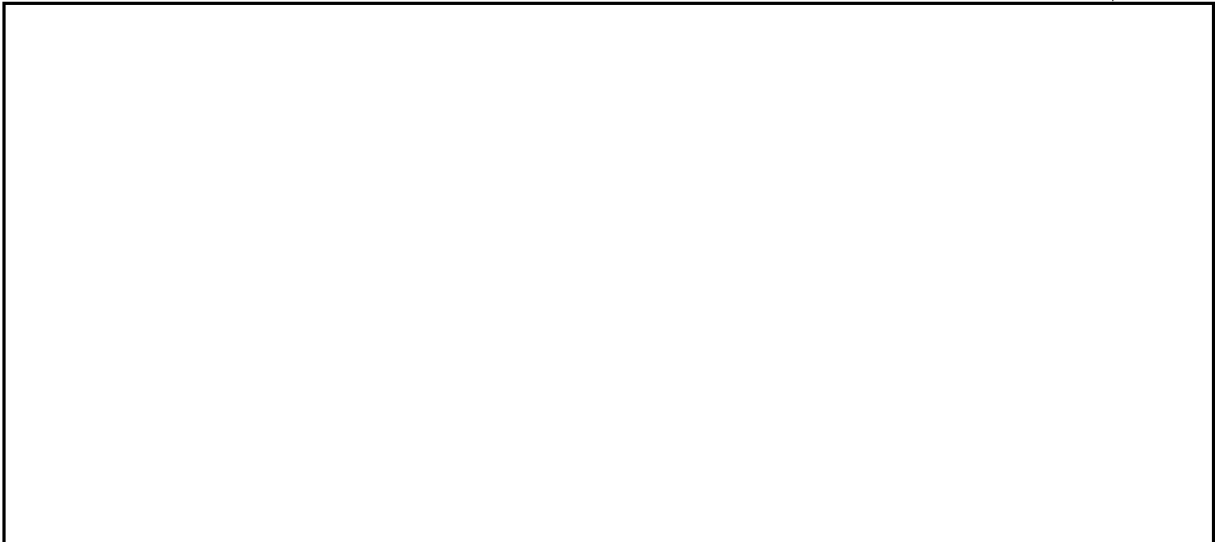
IV. STATEMENT OF TRENDS

A. Staffing

(1) Assumptions

Increased collection and covert action requirements will require consideration for additional staffing overseas for Agency components. This requirement includes the need for positions for human source and technical collection as well as the supporting mechanisms for these categories. With these increased overseas position authorizations and requirements, there will be increased competition within the Intelligence Community for [] slots.

As personnel in the field attempt to meet requirements for additional intelligence and/or covert action, Headquarters direction and support must expand in commensurate fashion. We do not now have the manpower to accomplish this. Training positions at Headquarters must be established to provide language and specialized training to enable new officers to acquire the skills lost by accelerated retirement of experienced officers.



Another possible problem related to staffing our overseas installations is the retention rate of the current crop of career trainees. Within the next three to five years, we will be sending on their first tour overseas [] CT's. We cannot now ascertain the resignation rate of such personnel. While they were recruited and trained for overseas service and they are now motivated to perform such service, we cannot now estimate how many will opt for extended overseas service given the current financial disincentives for overseas service and the problems associated with the current overseas environment.

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B. Operating Environment

(1) Assumptions

The overseas environment in which our officers must work will continue to reflect significant change as a result of the erosion of cover through public disclosure of our officers' identities, the threat of terrorist activity and the deteriorating security situation for American personnel overseas. This factor will require more effective cover arrangements and better security techniques and equipment for our personnel and their dependents. Such arrangements, which would include

will mean less efficient use of an employee's time.

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(2) Additional overseas personnel and a larger Headquarters supporting infrastructure are required to counteract a loss of efficiency caused by improved cover and security precautions. CRAFT will not be fully operational until the late eighties. Until stations have timely access to the Headquarters data base, a larger supporting mechanism will be required to provide this service manually.




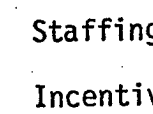
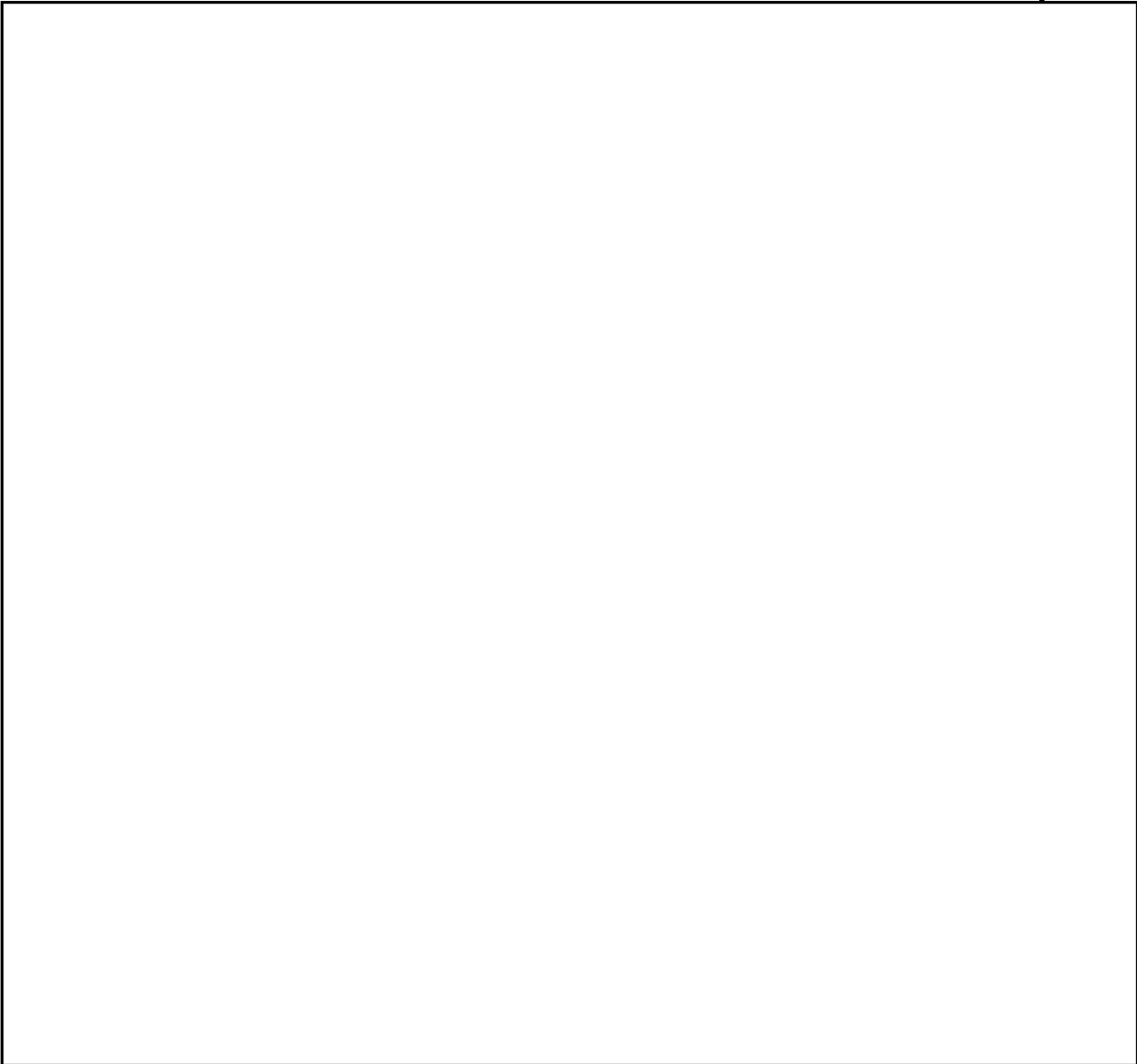
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V. ALTERNATIVE COURSES OF ACTION

In discussing alternative courses of action related to our overseas presence and supporting infrastructure, we have limited our recommendations to five key areas where we believe action is required to enable the Agency to conduct its overseas mission in the eighties. These key areas relate to:

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- A. 
 - B. 
 - C. Staffing Training Complement
 - D. Incentives to Serve Overseas
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25X1 C. Staff Training Complement: With accelerated retirement of experienced officers, particularly those with language fluency, we will be sending overseas in the next several years a larger than usual number of inexperienced officers. We must provide language training to these officers. The NAPA Report, dated 19 September 1980, noted that in FY 1979, of the 5,712 State overseas positions, only 23 percent were designated as Unit Language Requirements (ULR) with 71 percent of these positions filled. On the other hand, [redacted] designated as ULR, with only 30 percent of these positions filled with fully qualified personnel (another 30 percent were filled with personnel partially language qualified). [redacted] Career Trainees who entered on duty in FY 79, only 20 percent tested S-3/R-3 in a foreign language although 90 percent had some language skills. These statistics point up the need for extensive language training for those Agency personnel who will serve overseas. The NAPA Report recommended the Agency should reestablish a language training complement that is not charged to the operating areas. This would serve to institutionalize and protect a level of language training commensurate with the needs of the Agency. NAPA recommended a development complement equivalent to 6 percent of the ULRs or approximately 130 work years. We recommend EXCOM approve a FY 83 budget item to reestablish a Headquarters language training complement.

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D. Incentives to Overseas Service

We foresee an increasing problem in the eighties in getting people to remain overseas. We must provide some incentive, for example, to that operations officer who spends four to six hours a day on his cover job and then works into the night and on weekends to carry out his Agency duties.

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[REDACTED] If we are to remain competitive in recruiting and maintaining a staff of quality people to serve abroad in the eighties we must consider what incentives will be necessary to motivate a new generation to serve extended tours abroad. Some recommendations to provide such incentives are grouped below into immediate and long-range suggestions.

(1) Immediate

(a) OPPPM recommendations. Approve an overseas incentive pay proposal. OPPPM will present an option paper at the end of this presentation which would consider four options: (1) an overseas pay scale; (2) an overseas allowance or bonus plan; (3) a step increase system; and (4) a deferred compensation plan.

(b) Committee recommendations. (1) Consider the elimination of all Agency-imposed restrictions on monetary compensation for overtime for overseas personnel. (2) Adopt the new Foreign Service pay scale for overseas employees, as recommended by Mr. Tom Tracey, Assistant Secretary of State for Administration.

(c) Reinstitute the practice of transmitting to the field newsletters and other employee-related information, including promotion lists. To preserve security, field installations could be instructed to destroy such material immediately after personnel have had the opportunity to read it.

(d) Provide better in and out processing facilities and benefits to personnel and their families, both at Headquarters and in the field. Such benefits could include car rental reimbursement for the period immediately prior to departure from Headquarters and in the field, where feasible, until the arrival of an individual's private automobile.

(e) Interpret liberally as feasible those standardized regulations which govern benefits which could be granted overseas personnel and their dependents, particularly in extreme hardship posts. Such benefits could include housing, furniture, appliances and draperies allowances and, where security permits, more access to government-owned vehicles.

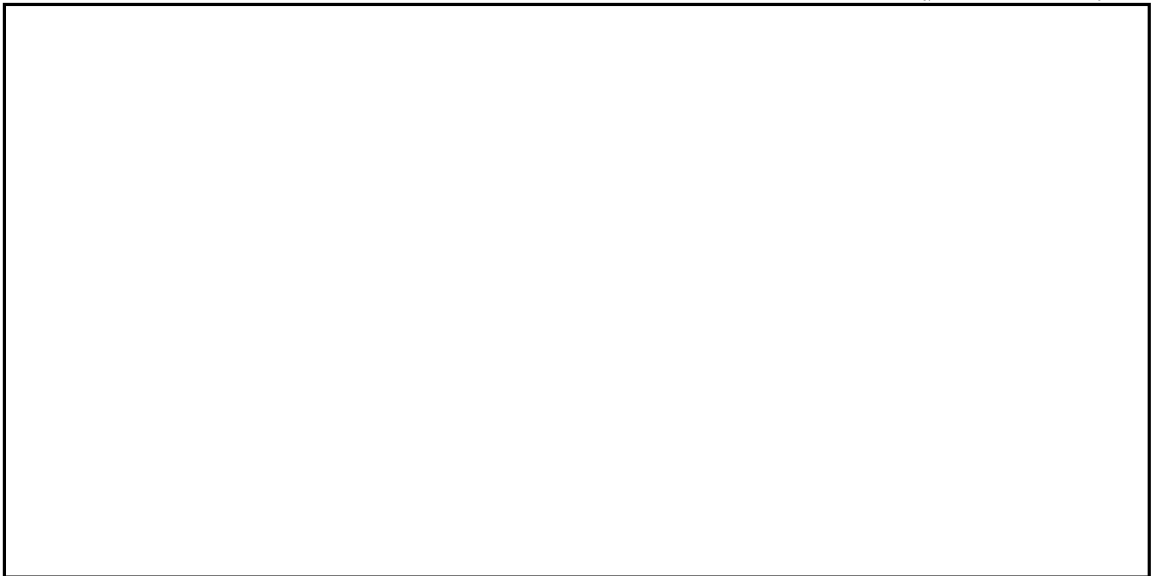
(f) Establish a security allowance to permit assignees to overseas posts the opportunity to purchase personal protection devices (locks, alarms) under the guidance of the Office of Security. (This recommendation will be formalized and circulated for approval once OGC has determined that there is no legal objection.

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(2) Longer-range.

- (a) Extension of the present leave retention provision of the SIS system to all overseas employees.
- (b) Include unused home leave balances in retirement computations in the same manner that sick leave balances are currently included. (OGC is presently investigating this matter).
- (c) Establish a Benefit Committee to twice yearly review our benefits and those of other foreign service agencies to ensure that parity is continued. Suggested members: OLC, OGC, OPPPM, DDA, DDO, NFAC, and DDS&T.
- (d) Seek legislation which would permit CIA employees to convert from excepted service into the Civil Service System at any time. (OLC and OGC are currently investigating this.)



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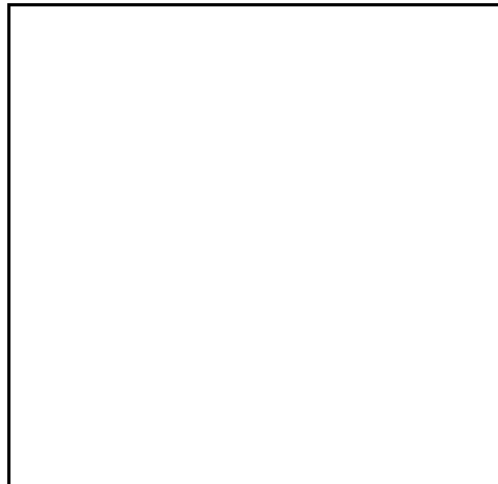
LONG-RANGE PLANNING ISSUE TEAM

ISSUE: Management Issue #1: What would constitute an effective
overseas presence and supporting infrastructure in
increasingly difficult operational environments?

TEAM MEMBERS:

Chairman

Members:



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I. TOPIC

To provide an additional monetary incentive to employees assigned overseas so as to partially relieve difficulties encountered in staffing overseas assignments. (U)

II. BACKGROUND

A. The staffing of our overseas positions is becoming more and more difficult. Some reasons offered by employees have been the inconveniences of overseas living, concern with terrorism, hazards of being identified as a CIA employee, the security of the sponsor's family, career goals of spouses, family reluctance to relocate, educational difficulties and the higher costs of overseas living. This latter problem more seriously affects the lower salaried personnel than those at higher grades and salaries. (S)

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- (4) A system which does not change an individual's grade with the attendant downgrading when returning from overseas. Does not have the same negative implication as a bonus would have on fellow workers from other Government agencies

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- (5) Additional compensation in increased benefits, i.e., high-three, increased FEGLI insurance, accident or death coverage and increased premium and overtime pay.

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Statistical - Computational Figures

- A. Overseas people/position data from FY 81 Budget (Comptroller)



- B. Average Salary

Overseas \$26,297 (FY 81 Budget)

Agency (Full-time permanent) \$25,563 (FY 81 Budget)

- C. Average PSI Overseas

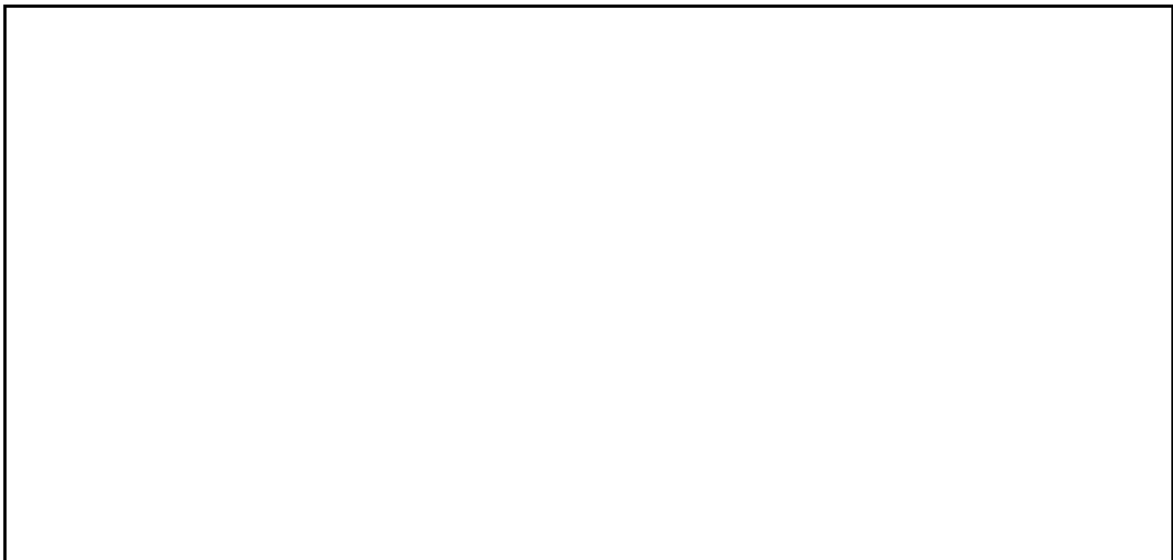
\$788.91 (3% of overseas average salary of \$26,297)

- D. Computation of overseas step increase

Average PSI overseas x work years overseas

$\$788.91 \times 2,545 = \$2,007,775.95$

- E. Overseas on-duty strength as of 30 September 1980 by grade:



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